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State Offers Disaster Tax Relief

By: MICHELLE STEEL - Commentary:

If you were one of the more than half-million San Diego County residents who evacuated during last month's devastating wildfires, there is a good chance paying your taxes wasn't the first thing on your mind. Now, as the rebuilding process begins, residents and businesses should take advantage of major tax breaks, filing extensions and free services offered by California's tax agencies. Taxpayers impacted by the wildfires can receive relief from interest and penalties, a tax filing extension, free copies of tax records and immediate property tax relief.

Copies of tax records

According to the latest damage estimates, 1,751 homes and business were destroyed in the wildfires. Due to the speed and intensity of the blaze, many homeowners and businesses did not have time to gather old tax and financial records. Yet, those tax records, insurance documents and financial statements are all critical to recovery and are frequently a prerequisite to receiving financial assistance. The Board of Equalization can help taxpayers retrace their tax history with free copies of their tax records. These tax records are a critical first step in getting your business's finances in order.

Tax filing extension

The wildfires could not have come at a worse time for San Diego's businesses. Retail businesses were obligated to pay their Third Quarter Sales and Use Taxes on Oct. 31. Most businesses understandably wait until the last week of the third quarter to mail their sales tax returns and make their tax payments. Under California's strict tax code, late tax payments are hit with severe interest fees and penalties.

Businesses whose records were destroyed in the fires should not be further punished with interest fees and late penalties. Even businesses with intact records could have been delayed in filing their returns due to a lengthy evacuation. The Board of Equalization allows these businesses to receive a one-month extension on their sales and use tax returns.

However, this filing extension and penalty relief is not automatically granted to everyone in San Diego County. Taxpayers must fill out a form titled, "Penalty and Interest Relief for Disaster Victims," which is available on the board's Web site, www.boe.ca.gov. Businesses must act fast because the extended filing deadline ends on Nov. 30.

Property tax relief

Finally, the Board of Equalization establishes the property tax guidelines for county assessors. State law allows county assessors to provide property tax relief to homeowners with destroyed or damaged homes. Taxpayers filing for tax relief in advance of Dec. 10 can receive tax relief on their 2007-2008 property tax bills.

As San Diego County's elected taxpayer advocate, my staff and I are available to help taxpayers and small businesses with tax questions. If you have tax questions, please contact my office toll-free at (866) 910-9558.

San Diego County's recovery effort will be a long and difficult process. Worrying about taxes shouldn't add to the community's concerns.

-- Michelle Steel serves as the North County's elected taxpayer advocate on the Board of Equalization.